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Alice -
Please make me
a copy
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R
mgm
RJ Reynolds
Tobacco Company

**SALEM BUSINESS UNIT
PO BOX 1515
WINSTON-SALEM, NC 27102-1515**

R

FAX TRANSMISSION COVER SHEET

| | | |
|-------------------------|--|--|
| DATE: | May 13, 1998 | |
| TO: | MARK YOUNG FAX # 732-417-9076 | |
| FROM: | RON GROUT FAX # 336/741-2300 | |
| INSTRUCTIONS: | | |
| PAGES TO FOLLOW: | 5 | |

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SALEM TEST MARKET — NEW YORK

March Performance

- SALEM brand share declined .11 versus February:
 - Second highest test market share to date.
 - 0.64 above expected trend.
- Performance stable in light of heavy competitive promotional activity (Newport B2G1F, Marlboro UL introduction).

| | <u>Newport</u> | <u>Kool</u> | <u>Marlboro Menthol</u> | <u>SALEM</u> |
|--------------------------|----------------|-------------|-------------------------|--------------|
| Feb-Mar Share Chg | +0.60 | -0.33 | +0.29 | -0.11 |
| Share of Menthol Display | +9.46 | -2.06 | +3.36 | -0.30 |
| % CIV Any Promo | +14.34 | +4.14 | +17.52 | -10.22 |
| % Volume Any Promo | +2.73 | +13.10 | +15.76 | +0.87 |

- Action plans:
 - Continue to drive positioning versus Newport.
 - Continue push for distribution expansion.
 - Drive increased display where possible; maintain current display levels.
 - Closely monitor Marlboro Menthol short-term impact.
 - Maintain ongoing discounting activity: snipe, DSD, DOD.

FF100M Box
included?

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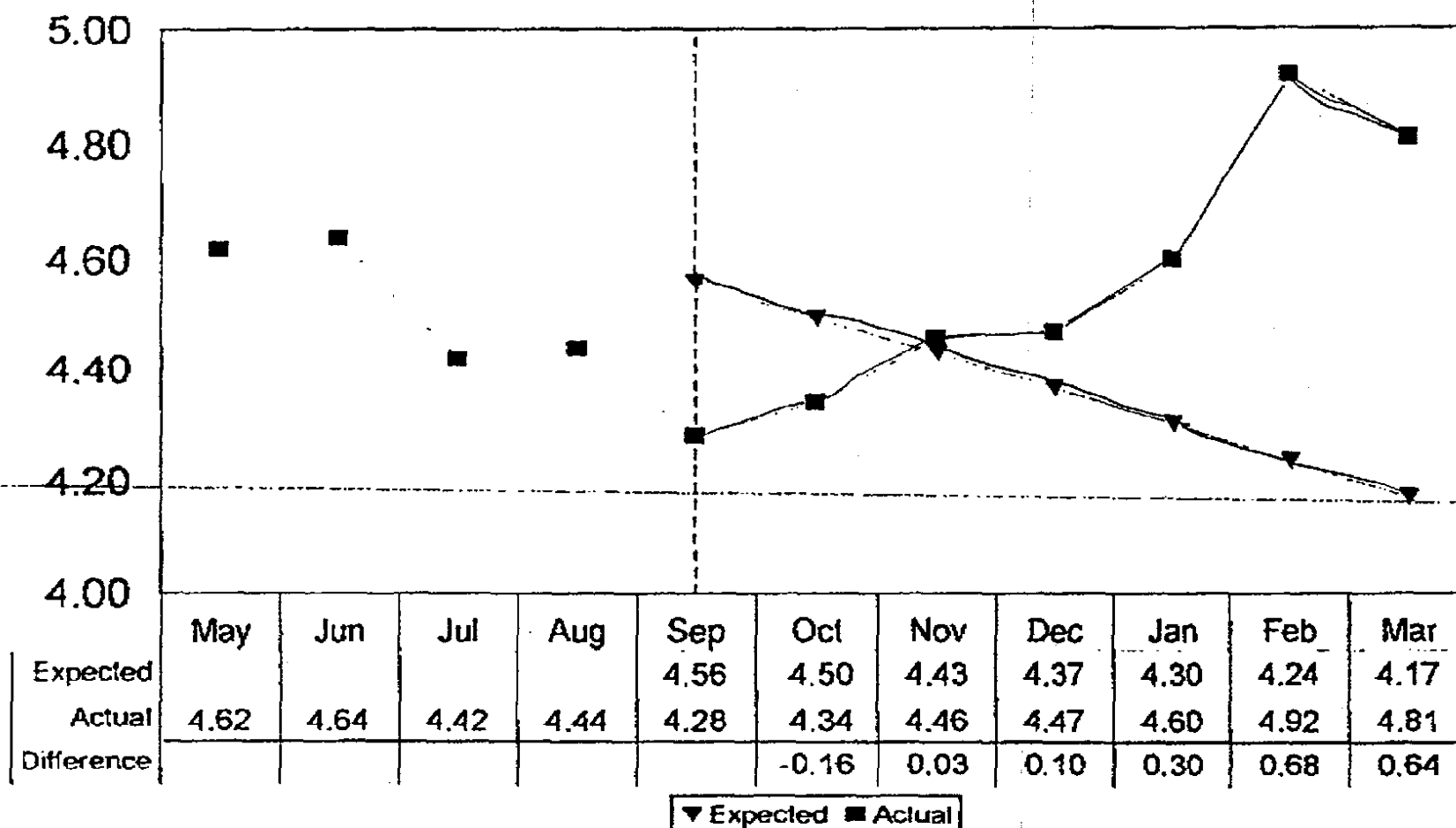
May-19-98 12:35PM From-RJR

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Salem Test Market - New York

Salem Share of Market - Expected vs Actual



Actual Based on May - March Static Sample Expected: July 96 - September 97 Static 1

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May-13-98 12:36PM From-PJRT

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NEW YORK

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